



First Quarter 2019 Interim Report to our Shareholders

The Directors are pleased to present the Un-Audited results of the company for the first Quarter ended August 31, 2018.

The Quarter returned revenue of US\$1.82 million from the 262,595 passengers that cruised to the port during the period resulting in a spend-per-passenger of US\$6.93. This is compared to revenue of US\$1.86 million earned from the 260,783 passengers in the similar period in the prior year at a spend rate of US\$7.14. Revenue per passenger will vary marginally from one period to another, even where aggregate passenger numbers are similar, due to variations in dwell time, variations in time of day that the ship called and the differing weather patterns on the ship call days.

The Quarter returned Net Profits of US\$290,815 compared to US\$296,412 in the same Quarter in the prior year. Earnings per Share (EPS) returned 0.431 US Cents per share compared to 0.439 US Cents per share in the prior year's Quarter.


Overall expenses were stabilized in aggregate terms as well as a ratio to revenue compared to the similar Quarter in the prior year. Aggregate operating expenditure was US\$1.06 million for the current quarter compared to US\$1.08 million for the same quarter in the prior. Cost of sales ratio of 25.91% was marginally improved compared to the 25.99% ratio returned for the Quarter in the prior year. None of the expenditure categories recorded unusual movements over the comparable periods.

Expenditure on fixed assets during the quarter was US\$ 98,794. Expenditure continued into the Quarter on the refurbishing necessitated as a result of damage associated with Hurricanes Irma and Marie in 2017.


Trade and other Receivable balances were regularized to pre yearend levels; a one-time Insurance Receivable was settled. Related Companies balances are being given attention and will be addressed in the second quarter.

We are now deep into the second Quarter when preparation begins in order to be ready for the busier winter season ahead. There are a number of open vacancies that will require filling to meet the winter season. We continue to make representation for a change in the policy on expatriate workers. A dividend of US\$1m has also been declared and this will be paid out in November 2018.

We thank our shareholders and partners for their continued support and confidence.



Ian Dear
Director



John Byles
Director

Margaritaville (Turks) Ltd

UnAudited Statement of Financial Position as at August 31, 2018

Note	August 31, 2018 US\$	Audited May 31, 2018 US\$
Assets		
Non-current assets		
Property, plant and equipment	3,383,768	3,332,036
Development Costs	103,568	111,426
	3,487,335	3,443,462
Current assets		
Inventories	840,253	773,479
Trade and other receivables	85,879	527,709
Owing by related companies	1,752,615	994,466
Cash and bank balance	33,241	77,099
	2,711,988	2,372,753
Total assets	6,199,324	5,816,215
Equity		
Capital and reserves		
Share capital	522,360	522,360
Retained earnings	4,558,409	4,267,594
Total equity	5,080,769	4,789,954
Liabilities		
Current liabilities		
Trade and other payables	1,118,554	1,025,743
Lease obligation	-	518
	1,118,554	1,026,261
Total liabilities	1,118,554	1,026,261
Total equity and liabilities	6,199,324	5,816,215

Director

Director

Margaritaville (Turks) Ltd

Unaudited Statement of profit or loss and other comprehensive income for 3 Months to August 31, 2018

	Q1 AUGUST 31, 2018	Q1 August 31, 2017	Audited 12 Mths May 31, 2018
	US\$	US\$	US\$
Revenue	1,819,154	1,861,744	6,020,037
Cost of sales	(471,386)	(483,803)	(1,911,356)
Gross profit	1,347,768	1,377,941	4,108,681
Other Operating Income	-	-	710,836
Administrative expenses	(924,775)	(948,665)	(3,177,181)
Management Fees	(62,500)	(62,500)	(250,000)
Promotional expenses	(14,580)	(16,408)	(82,574)
Loss on sale of asset	-	-	(506)
Depreciation	(54,922)	(53,956)	(241,470)
Operating profit for the year	290,990	296,412	1,067,786
Finance costs	(175)	-	(408)
Profit for the year being total comprehensive income for the year	290,815	296,412	1,067,378
	15.99%	15.92%	17.73%
Earnings Per Share - US Cents	0.431	0.439	1.581

Margaritaville (Turks) Ltd

UnAudited Statement of Cash Flows for the 3 months ended August 31st

	August 31, 2018	August 31, 2017
Note	US\$	US\$
Cash flows from operating activities:		
Profit for the year	290,815	296,412
Adjustments for:		
Depreciation and amortisation	54,922	53,956
Interest expense	175	-
	345,913	350,368
(Increase)/decrease in inventories	(66,774)	(136,373)
(Increase)/decrease in trade and other receivables	441,830	77,101
(Increase)/decrease in owing by related companies	(758,151)	(56,620)
Increase /(Decrease) in trade and other payables	92,811	(162,972)
	55,629	71,504
Cash generated from operations		
Interest paid	(175)	-
Net cash provided by operating activities	55,454	71,504
Cash flows from investing activity		
Purchase of property, plant and equipment	(98,794)	(58,409)
Net cash used in investing activity	(98,794)	(58,409)
Cash flows from financing activity		
Lease obligations paid	(518)	-
Net cash used in financing activity	(518)	-
Increase/(decrease) in cash and cash equivalents	(43,858)	13,096
Cash and cash equivalents at beginning of year	77,099	31,425
Cash and cash equivalents at end of period	33,241	44,520

Margaritaville (Turks) Ltd

Unaudited Statement of Changes in Equity for the 3 Months to August 31, 2018

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2018	522,360	4,267,594	4,789,954
Changes in equity 3 months to August 31, 2018			
Profit for the 3 months to August 31, 2018 being total Comprehensive Income	-	290,815	290,815
Balance at August 31, 2018	522,360	4,558,409	5,080,769

Unaudited Statement of Changes in Equity for the 3 Months to August 31, 2017

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2017	522,360	3,200,216	3,722,576
Changes in equity 3 months to August 31, 2017			
Profit for the 3 months to August 31, 2017 being total Comprehensive Income	-	296,412	296,412
Balance at August 31, 2017	522,360	3,496,628	4,018,987

Notes to the Financial Statements

1 Identification

The company was incorporated under the Laws of Turks and Caicos Islands on July 15, 2004 and commenced operations in February 2006. Its registered office is P.O. Box 127, Richmond House, Leeward Highway, Providenciales, Turks and Caicos Islands.

The company's shares were listed on the Main Market of the Jamaica Stock Exchange on April 11, 2014.

Its main activity during the quarter was the operation of a Margaritaville branded bar and restaurant.

The company is a subsidiary of Margaritaville Caribbean Limited, a company registered under the Bahamas IBC Act of 2000.

The company's principal place of business is located at Grand Turks Cruise Centre, White Sands, Turks and Caicos Island.

2. Basis of preparation

(i) Statement of compliance and basis of preparation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared under the historical cost convention, except for certain non-financial assets measured at fair value.

(ii) There have been no changes in accounting policies since the most recent audited accounts as at May 31, 2018.

3 Functional and presentation currency:

The financial statements are prepared and presented in United States dollars, which is the functional currency of the company.

4 Trade & Other Payables

Net Interim insurance proceeds of \$679,031 are included in this line item. Management expects the Insurance Claim process to be finalised in the next Quarter.

Margaritaville (Turks) Ltd

Top Ten ShareHoldings

As at August 31, 2018

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE CARIBBEAN LIMITED	NASSAU, BAHAMAS	33,163,445	49.1%
LANNAMAN & MORRIS (SHIPPING) LIMITED	KINGSTON	8,709,105	12.9%
SAGICOR POOLED EQUITY FUND	KINGSTON	5,819,559	8.6%
LACY, DONALD S.	KINGSTON	4,019,889	6.0%
MATMAR HOLDINGS LIMITED	ST LUCIA	2,700,000	4.0%
NATIONAL SUPPLY CO. LTD	KINGSTON	1,200,000	1.8%
PRIME ASSET MANAGEMENT LTD. - JPS	KINGSTON	1,000,000	1.5%
NEKIA LIMITED	KINGSTON	1,000,000	1.5%
LIAO, HUIXIONG	CLARENDON	1,000,000	1.5%
FRASER, PAUL	MANCHESTER	953,418	1.4%
		59,565,416	88.2%

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 304

Directors ShareHoldings

As at August 31, 2018

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.0%
HARRIAT T. MARAJH	-	8,709,105	8,709,105	12.9%
IAN B. DEAR	-	33,163,445	33,163,445	49.1%
JOHN G. BYLES	-	-	-	0.0%
ROLAND P CLARKE	40,000	-	40,000	0.1%
	40,000	41,872,550	41,912,550	62.09%

Senior Managers ShareHoldings

As at August 31, 2018

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
ROLAND P CLARKE	40,000	-	40,000	0.1%
MARK SUTHERLAND	-	-	-	0.0%
ALTON THELWELL	-	-	-	0.0%
PATRICK MULLET	-	-	-	0.0%
	40,000	-	40,000	0.1%